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*Les L Johnson, President*

E-mail: [Comments@FDIC.gov](mailto:Comments@FDIC.gov).  
Subject: Docket Number OP-1227  
Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17th Street, NW.,  
Washington, DC 20429.

June 10, 2005

E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov).  
Subject: Docket Number OP-1227  
Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551.

Dear Mr. Feldman and Ms. Johnson:

Recently, I reviewed your regulatory, "Interagency Proposal on the Classification of Commercial Credit Exposures". The proposed regulation is not only burdensome, but unreasonable or needed for banks our size (\$58,000,000). I experienced reorganizing various size banks in the 80's and 90's. Our current system of analyzing and evaluating credit works. I find the proposal inappropriate for commercial banks under \$500,000,000 in asset size. Our loan officers are very familiar with classified credits in our bank. Our experience with Iowa Division of Banking and the FDIC examiners is one where we are able to discuss classified credits with loan officers and bank Presidents. We have a consistently identified proper loss exposure with our current rating systems. In fact, we have been enhanced existing systems do to the problems of the 80's.

This proposal will produce costs for small and medium sized banks that are not needed. Our bank has a loan watch list that is uniform and conforming to the current classification system. At a time in this industry, where margins are tight, costs are up, and regulation already burdensome, your timing and request for change, are overly burdensome of our time and resources.

I would respectfully submit the following suggestions:

- 1.) Agencies to refrain from implementing this proposal for banking organizations \$500,000,000 or less
- 2.) Guidelines currently in place be used for all banks \$500,000,000 or less.

Sincerely,

A handwritten signature in dark ink, appearing to read "Les L. Johnson", followed by a long horizontal line.

Les L. Johnson  
President/CEO

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